

PS4500.04 TRUST FUND/WAREHOUSE/LAUNDRY MANUAL



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# Change Notice

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DIRECTIVE AFFECTED: 4500.04  
CHANGE NOTICE NUMBER: 7  
DATE: 11/6/2000

1. **PURPOSE AND SCOPE.** To update Program Statement 4500.04, the Trust Fund/Warehouse/Laundry Manual.

2. **SUMMARY OF CHANGES.** Chapter 4504 was revised to implement an Executive Staff decision to discontinue pay-per-view television events in Bureau facilities.

3. **TABLE OF CHANGES**

**Remove**

Chapter 4504, Pages 3 - 6

**Insert**

Chapter 4504, Pages 3 - 6

Changes are indicated by an asterisk (\*) before and after added or deleted information.

4. **ACTION.** File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

/s/  
Kathleen Hawk Sawyer  
Director



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# Change Notice

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DIRECTIVE AFFECTED: 4500.04  
CHANGE NOTICE NUMBER: 6  
DATE: 3/2/2000

1. **PURPOSE AND SCOPE.** To update Program Statement 4500.04, the Trust Fund/Warehouse/Laundry Manual.

2. **SUMMARY OF CHANGES.** Chapter 4526 was revised to implement an Executive Staff decision establishing a permanent inmate spending limitation and restricting the exclusions from the limitation.

3. **TABLE OF CHANGES**

**Remove**

Chapter 4526

**Insert**

Chapter 4526

Changes are indicated by an asterisk (\*) before and after added or deleted information.

4. **ACTION.** File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

/s/  
Kathleen Hawk Sawyer  
Director



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# Change Notice

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**DIRECTIVE AFFECTED:** 4500.04  
**CHANGE NOTICE NUMBER:** 5  
**DATE:** 9/3/99

1. **PURPOSE AND SCOPE.** To update Program Statement 4500.04, Trust Fund/Warehouse/Laundry Manual.

2. **SUMMARY OF CHANGES.** The significant changes are summarized as follows:

a. Chapter 4501 was revised to include references to the Fiscal Year 1996 and 1999 appropriation language changes regarding Trust Fund Authority. Changes were made to reference the Federal Prison Point of Sale (FPPOS) Technical Reference Manuals as guidelines for operation of the FPPOS System.

b. Chapter 4504 was revised to clarify the appropriate uses and prohibitions on the use of Trust Fund profit distributions and identify the inmate programs funded by Trust Fund profits.

c. Chapter 4506 was revised to emphasize the requirement for the use of the Government-wide commercial credit card for purchasing Trust Fund supplies in accordance with Bureau of Prisons Acquisition Policy.

d. Chapter 4507 was revised to clarify the disposition of property purchased with Trust Fund monies.

e. Chapter 4508 was added to identify the document retention schedule for various Trust Fund documents.

f. Chapter 4522 was revised to encourage the procurement of Commissary goods which meet the religious dietary restrictions of certain inmates and to prohibit the sale of effervescent denture cleaning tablets such as Polident and Efferdent and products containing pseudoephedrine. Revisions also were made to prohibit

the sale of video games except word spellers and musical instruments (excluding harmonicas) and prepared meals from outside sources.

g. Information on medication for the inmate smoking cessation program was also included in Chapter 4522.

h. Chapter 4524 was revised to reference a new Special Purpose Order form available on BOPDOCS.

i. Chapter 4527 was revised to require the routine review of slow moving Commissary stock and to clarify the accounting related to Trust Fund Reports of Survey and reporting of quarterly inventory shortages and overages.

j. A new Chapter 4528 was added for the policy regarding the ordering of postage stamps through the Postage Stamp Program.

k. Chapter 4540 was revised to require that documentation be maintained regarding the contacts between the institution and the State Licensing Agency regarding Trust Fund vending.

l. Chapter 4550 was revised to make reference to institution security as it relates to inmate call forwarding.

m. Chapter 4555 was revised to allow Trust Fund staff to fold and staple the Phone Access Code form with only the inmate's name and register number visible for distribution.

### 3. TABLE OF CHANGES

Remove	Insert
Pages i - ii	Pages i - ii
Chapter 4501	Chapter 4501
Chapter 4504	Chapter 4504
Chapter 4506	Chapter 4506
Chapter 4507	Chapter 4507
	Chapter 4508
Chapter 4522	Chapter 4522
Chapter 4524, Pages 1 - 2	Chapter 4524, Pages 1 - 2A
Chapter 4527, Pages 5 - 12	Chapter 4527, Pages 5 - 13
	Chapter 4528
Chapter 4540, Pages 1 - 2	Chapter 4540, Pages 1 - 2A
Chapter 4550	Chapter 4550
Chapter 4555, Pages 1 - 2	Chapter 4555, Pages 1 - 2A

Changes are indicated by an asterisk (\*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

/s/  
Kathleen Hawk Sawyer  
Director



# Change Notice

**DIRECTIVE BEING CHANGED:** 4500.04  
**CHANGE NOTICE NUMBER:** 04  
**DATE:** 11/24/97

1. PURPOSE AND SCOPE. To update Program Statement 4500.04, Trust Fund/Warehouse/Laundry Manual.

2. SUMMARY OF CHANGES. The significant changes to Program Statement 4500.04 are summarized as follows:

a. Chapter 4507 was revised to clarify the process for transfer of personal property between the Trust Fund operation at one institution to a Trust Fund operation at another institution.

b. Chapter 4520 was revised to allow for the security review of Commissary operations to be compiled from the quarterly security reviews required by the Correctional Services Manual.

c. Chapter 4522 was revised to allow the sale of pre-stamped international envelopes (Air-O-Grams) and to prohibit the sale of televisions in the Commissary.

d. Chapter 4524 was revised to incorporate the results of the Task Force on streamlining Special Purpose Orders (SPO) and to include the maximum dollar limitation of \$300 per quarter for hobby craft materials obtained through the SPO process. This coincides with new Inmate Recreation Policy.

e. Chapter 4527 was revised to make reference to ensuring the correct price is placed on the Receiving Report for Commissary merchandise and to clarify the procedures for inventory adjustments occurring during the quarter when the physical inventory of a specific item is different from the amount shown on the Federal Prison Point of Sale Stock Status Report.

f. Chapter 4540 was revised to reference the proper signature process for agreements between the Trust Fund and the State Licensing Agency for vending operations.

g. Chapter 4550 was revised to add a statement requiring inmates to use the Inmate Telephone System for all personal telephone calls and prohibit the use of any type of call forwarding.

h. Chapter 4579 was revised to allow Controllers to identify the items which require maintenance of Stock Record Cards. Chapter 4579 was also revised to clarify the use of the unit price information on the Stock Record Card and the need for the use of this unit price to trigger notification of excess surveys to the Regional Director.

i. Chapter 4596 was revised to clarify that the 360 day supply of clothing/linen includes both purchased and donated items.

### 3. TABLE OF CHANGES

<u>Remove</u>	<u>Insert</u>
Program Statement	Program Statement
Chapter 4502	Chapter 4502
Chapter 4507	Chapter 4507
Chapter 4520, Pages 1-2	Chapter 4520, Pages 1-2
Chapter 4522, Pages 3-6	Chapter 4522, Pages 3-6
Chapter 4522, Page 9	Chapter 4522, Page 9
Chapter 4524	Chapter 4524
Chapter 4527, Pages 3-12	Chapter 4527, Pages 3-12
Chapter 4527, Attachment B	Chapter 4527, Attachment B
Chapter 4540, Pages 1-2	Chapter 4540, Pages 1-2
Chapter 4541, Attachment B	Chapter 4541, Attachment B
Chapter 4550	Chapter 4550
Chapter 4573, Pages 3-4	Chapter 4573, Pages 3-4
Chapter 4579	Chapter 4579
Chapter 4580, Pages 1-2	Chapter 4580, Pages 1-2
Chapter 4596, Pages 1-2	Chapter 4596, Pages 1-2

Changes are indicated by an asterisk (\*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

/s/  
Kathleen M. Hawk  
Director



# Change Notice

**DIRECTIVE BEING CHANGED:** 4500.04  
**CHANGE NOTICE NUMBER:** CN-03  
**DATE:** June 30, 1997

1. PURPOSE AND SCOPE. To update Program Statement 4500.04, Trust Fund/Warehouse/Laundry Manual.

2. SUMMARY OF CHANGES. The significant changes to Program Statement 4500.04 are summarized as follows:

a. Chapter 4502 was revised to include the proper payroll coding for Trust Fund Supervisor salaries in order to meet the requirements of the Settlement Agreement in the Washington vs Reno Inmate Telephone System (ITS) litigation.

b. Chapter 4522 was revised to require Commissaries to stock at least 25 over-the-counter medications; a new listing of approved medications was incorporated into the items approved for sale in the Commissary. Staff should note that eye drops such as Artificial Tears are authorized; eye drops such as Visine, Murine, Clear Eyes and Vasocon are no longer on the authorized list of approved products. Institutions are authorized to sell all eye drops in the Visine category currently in stock but not to replenish stock supplies.

c. Chapter 4522 was revised to prohibit the sale of protein powders/drinks in the Commissary. Institutions are authorized to sell items of this type currently in stock but not to replenish stock supplies.

d. Chapter 4522 was revised to clarify the color requirements for inmate athletic shoes sold in the Commissary.

e. Chapter 4544 was revised to require that used photo tickets and photo vouchers be marked or mutilated to ensure against reuse.

f. Chapter 4550 was revised to allow staff to make test calls on the ITS for trouble-shooting purposes but to prohibit personal calls or business calls by staff.

3. TABLE OF CHANGES

<u>Remove</u>	<u>Insert</u>
Chapter 4502	Chapter 4502
Chapter 4522, Pages 5 - 9	Chapter 4522, Pages 5 - 9
Chapter 4544, Pages 3 - 6	Chapter 4544, Pages 3 - 6
Chapter 4550	Chapter 4550

Changes are indicated by an asterisk (\*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, the Trust Fund\Warehouse\Laundry Manual.

\s\  
Kathleen M. Hawk  
Director



# Change Notice

**DIRECTIVE BEING CHANGED:** 4500.04

**CHANGE NOTICE NUMBER:** CN-02

**DATE:** June 16, 1997

1. PURPOSE AND SCOPE. To update PS 4500.04, the Trust Fund/Warehouse/Laundry Manual.

2. SUMMARY OF CHANGES. The significant changes to PS 4500.04 are summarized below.

a. Chapter 4504 was revised to clarify the use of Trust Fund Profit Sharing funds for expenditures such as premium movie channels, weight lifting equipment, and musical instruments.

b. Chapters 4506 and 4527 were revised to allow the use of the Government Credit Card for the purchase of Commissary merchandise and to provide special procedures to ensure control of the inventory.

c. Chapter 4507 was revised to authorize a special equipment allotment for the purchase of Trust Fund minor equipment.

d. Chapter 4522 was revised to clarify recent changes in the purchase of personal property by inmates such as athletic shoes and clothing and to add several items to the over-the-counter medication listing.

e. Chapter 4523 was revised to streamline the process of recording inventory adjustments in FMS.

f. Chapter 4525 was revised to describe the sale of vending debits as a final sale, rather than as a vending credit, removing the need for a liability account. Separate sub-objects for recording Special Purpose Order (SPO) and Hobby Craft sales were deleted and these sales included in the Regular sales category.

g. Chapter 4527 was revised to clarify the end of the quarter reporting requirements. This chapter was also revised to establish that Trust Fund inventory losses due to theft shall be reported in FMS as inventory shortages rather than inventory adjustments.

h. Chapter 4540 was revised to include information on the Randolph-Sheppard Act and the Trust Fund vending operations. The date for all institutions to move to debit vending was established as October 1, 1998.

i. Chapter 4551 was revised to require two quarterly back-up tapes for Inmate Telephone System (ITS) data, one of which is retained for six years.

j. Chapter 4555 was revised to require the Trust Fund Supervisor to review the Balance Report daily for negative ITS balances, to allow staff to transfer ITS credits back to the inmate's Federal Prison Point of Sale account when the inmate is placed on telephone restriction for more than 10 days, and to conduct a quarterly account verification.

k. Chapter 4580 was revised to indicate the responsibility of the Board of Survey to prepare the annual inventory schedule for stores, property, and quarterly Commissary inventories. Further clarification was provided on the responsibility for Food Service and Health Services inventories.

l. Chapter 4596 was revised to allow for an institution to have a 360 day supply of inmate clothing on hand to allow for obtaining surplus clothing items.

### 3. TABLE OF CHANGES

#### Remove

Program Statement  
Index, Pages i and ii  
Chapter 4504  
Chapter 4506  
Chapter 4507  
Chapter 4520, Pages 3-4  
Chapter 4521  
Chapter 4522  
Chapter 4523, Pages 3-4  
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Chapter 4543  
Chapter 4544  
Chapter 4551  
Chapter 4554  
Chapter 4555, Pages 1-5  
Chapter 4556

#### Insert

Program Statement  
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Chapter 4504  
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Chapter 4507  
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Chapter 4526  
Chapter 4527  
Chapter 4540  
Chapter 4541, Pages 1-3  
Chapter 4543  
Chapter 4544  
Chapter 4551  
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Chapter 4555, Pages 1-7  
Chapter 4556

Remove

Chapter 4557  
Chapter 4571  
Chapter 4572  
Chapter 4573  
Chapter 4577, Page 3  
Chapter 4578  
Chapter 4579  
Chapter 4580, Pages 1-2  
Chapter 4595  
Chapter 4596

Insert

Chapter 4557  
Chapter 4571  
Chapter 4572  
Chapter 4573  
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Chapter 4579  
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Chapter 4595  
Chapter 4596

Changes are indicated by an asterisk (\*) before and after added or deleted information.

4. ACTION. File this Change Notice in front of PS 4500.04, Trust Fund\Warehouse\Laundry Manual.

\s\  
Kathleen M. Hawk  
Director



# Change Notice

DIRECTIVE BEING CHANGED: 4500.04

CHANGE NOTICE NUMBER: CN-01

DATE: April 12, 1996



1. PURPOSE AND SCOPE. To update Program Statement 4500.04, Trust Fund/Warehouse/Laundry Manual.
2. SUMMARY OF CHANGES. Chapter 4544 is added to the manual to provide guidance on the establishment and operation of a Trust Fund Inmate Photograph Program.
3. TABLE OF CHANGES.

Remove

Page i (12-15-96)

Insert

Page i  
Chapter 4544

4. ACTION. File this Change Notice in front of P.S. 4500.04, Trust Fund/Warehouse/Laundry Manual.

\s\  
Kathleen M. Hawk  
Director



# Program Statement

OPI: ADM  
NUMBER: 4500.04  
DATE: December 15, 1995  
SUBJECT: Trust Fund/Warehouse  
Laundry Manual

1. PURPOSE AND SCOPE. The Bureau of Prisons operates Trust Fund programs that provide inmates an opportunity to purchase articles or services not issued or delivered as basic care by the institution or of a different quality. A new Trust Fund/Warehouse/Laundry Manual is required due to the implementation of the Trust Fund Inmate Telephone System (ITS) and the consolidation of Warehouse and Laundry program responsibilities under the Trust Fund Branch.

2. PROGRAM OBJECTIVES. The expected results of this program are:

a. Efficient and reliable Commissary, Telephone and Laundry services will be made available to inmates.

b. The Trust Fund operation will be managed to ensure an efficient, cost effective, self-supporting program.

c. Merchandise, supplies, foods and equipment will be received, securely stored and effectively distributed to facilitate continuous institution operations.

3. DIRECTIVES AFFECTED

a. Directives Rescinded

\* PS 4500.03 Trust Fund Management Manual (4/4/89) \*

b. Directives Referenced

PS 1221.64 Directives Management Manual (8/20/96)  
PS 1222.05 Forms Management (5/17/93)  
PS 1237.09 Computer Security (8/1/95)  
PS 1600.07 Occupational Safety and Environmental Health  
Manual (5/30/96)

PS 2000.02	Accounting Management Manual (10/15/86)	
PS 2010.02	Accounting for Employee Organizations Vending Machine Profits to Trust Fund (2/7/94)	
PS 2010.03	Accounting for Trust Fund Stamp and Coin Checks in Transit (2/7/94)	
PS 2010.04	Accounting for the Trust Fund Inmate Telephone System (3/25/94)	
PS 2010.05	Accounting for the Inmate Debit Card Vending Machine Program (9/30/96)	
PS 2100.03	Budget Execution Manual (8/4/95)	
PS 3721.05	Employee Organizations (3/19/96)	
PS 4100.03	BOP Acquisition Policy (9/16/96)	
PS 4400.03	Property Management Manual (2/27/96)	
PS 5230.05	Grooming (11/4/96)	
PS 5264.06	Telephone Regulations for Inmates (12/22/95)	
PS 5270.07	Inmate Discipline and Special Housing Units (12/29/87)	
PS 5290.09	Admission and Orientation Program (7/1/96)	
PS 5321.06	Unit Management (7/31/96)	
* PS 5360.07	Religious Beliefs and Practices (8/25/97)	*
PS 5370.08	Recreation Programs, Inmate (6/13/94)	
PS 5380.05	Financial Responsibility Program - Inmate (12/22/95)	
PS 5381.04	Organizations, Inmate (3/19/96)	
* PS 5521.05	Searches of Housing Units, Inmates, and Inmate Work Areas (6/30/97)	*
PS 5580.05	Personal Property, Inmate (9/30/96)	
PS 6000.05	Health Services Manual (9/15/96)	

#### 4. STANDARDS REFERENCED

- \* a. American Correctional Association 3rd Edition Standards for Adult Correctional Institutions: 3-4031, 3-4034, 3-4035, 3-4037, 3-4040, 3-4042, 3-4044, 3-4315, 3-4316, 3-4317, 3-4318, 3-4319, 3-4320, 3-4321, 3-4324, 3-4439, 3-4187, 3-4393.
- b. American Correctional Association 3rd Edition Standards for Adult Local Detention Facilities: 3-ALDF-1B-10, 3-ALDF-1B-16, 3-ALDF-1B-17, 3-ALDF-4D-11, 3-ALDF-4D-12, 3-ALDF-5D-09, 3-ALDF-3D-21, 3-ALDF-4D-08, 3-ALDF-4D-06, 3-ALDF-4D-10, 3-ALDF-1B-04, 3-ALDF-1B-07, 3-ALDF-1B-08, 3-ALDF-1B-14, 3-ALDF-1B-18, 3-ALDF-3A-21, 3-ALDF-4D-07, 3-ALDF-4D-09, 3-ALDF-4G-07.
- c. American Correctional Association 2nd Edition Standards for Administration of Correctional Agencies: 2-CO-1B-05, 2-CO-1B-08, 2-CO-1B-09, 2-CO-1B-12, 2-CO-1B-13, 2-CO-1B-14.
- d. American Correctional Association Standards for Adult Correctional Boot Camp Programs: 1-ABC-1B-09, 1-ABC-1B-10,

1-ABC-1B-12, 1-ABC-1B-14, 1-ABC-1B-16, 1-ABC-3A-20, 1-ABC-4D-06,  
1-ABC-4D-07, 1-ABC-4D-08, 1-ABC-4D-09, 1-ABC-4D-10, 1-ABC-4D-12,  
1-ABC-4D-14, 1-ABC-4G-15, 1-ABC-5D-11. \*

5. INSTITUTION SUPPLEMENTS. Various Chapters of this Manual require the development of procedures for implementing policy at the institution level. These procedures may be issued as separate Institution Supplements, or as a component of a consolidated supplement on Trust Fund Operations, specifying the Chapter being supplemented. All Institution Supplements shall be prepared, approved, and reviewed as outlined in the Directives Management Manual. The following Chapters have requirements for establishing local procedures through issuance of an Institution Supplement:

- a. Chapter 4520, Security - Commissary.
- b. Chapter 4521, Security - Federal Prison Point of Sale System.
- c. Chapter 4522, Items to be Sold in the Commissary.
- d. Chapter 4524, Special Purpose Orders.
- e. Chapter 4525, Commissary Sales Procedures.
- f. Chapter 4542, Vending Operations for Services to Inmates.
- g. Chapter 4543, Institution Supplement on Vending Operations.
- h. Chapter 4544, Inmate Photography Program.
- i. Chapter 4550, Inmate Telephone System - General.
- j. Chapter 4555, Inmate Telephone System Sales Operations.
- k. Chapter 4573, Receiving Reports
- l. Chapter 4595, Laundry Operations - General

6. ACTION REQUIRED. The Trust Fund, Warehouse, and Laundry programs shall operate according to the procedures set forth in this Manual.

/s/  
Kathleen M. Hawk  
Director

**PROGRAM STATEMENT 4500.04**  
**TRUST FUND/WAREHOUSE/LAUNDRY MANAGEMENT MANUAL**

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## Chapter 4501 - History, Overview, and Nature of the Trust Fund

1. PURPOSE AND SCOPE. This Chapter gives a brief history of the Trust Fund, provides an overview of the Inmate Deposit Fund, and reviews the nature of the Trust Fund operation.

In 1930, Department of Justice Circular No. 2126, entitled **Rules Governing the Control of Prisoner's Funds at the Several Penal and Correctional Institutions** (August 1, 1930), authorized and established a Commissary at each institution. The Commissary was created to provide a bank type account for inmate monies and "for the procurement of articles not regularly issued as part of the institution administration". Circular 2244, **Rules Governing the Control of Prisoners Funds at Several Penal and Correctional Institutions** (January 1, 1932), superseded Circular No. 2126 and established separate United States Treasury Accounts for the "Prisoners Trust Fund" and the "Commissary and Welfare Funds".

The existence and operation of the prison Commissaries was recognized and approved by Congress in 1932 with the passage of the Department of Justice's 1933 appropriation bill. In 1934, Congress designated the "funds of federal prisoners" and Commissary funds" as "trust funds" (31 U.S.C. 725s, 1934). All monies accruing to these funds were appropriated and dispersed in compliance with the terms of the trust.

Section 108 of the Department of Justice, General Provisions, Department of Justice, Public Law 104-134 (April 26, 1996) provided that in Fiscal Year 1996 and each Fiscal Year thereafter, amounts in the Federal Prison Systems Commissary Fund, Federal Prisons, which are not currently needed for operations, shall be kept on deposit or invested in obligations of, or guaranteed by, the United States and all earnings on such investments shall be deposited in the Commissary Fund.

\* Section 108 of the Department of Justice, General Provisions in the Fiscal Year 1999 Omnibus Bill and Conference Report Language, Public Law 105-277 (October 21, 1998) clarified the authority regarding expenditures from the Commissary Fund for an Inmate Telephone System and for other purposes, regardless of whether any such expenditure is security-related, for programs, goods and services for the benefit of inmates (to the extent the provision of those programs, goods, or services to inmates is not otherwise prohibited by law), including:

- a. the installation, operation, maintenance of the Inmate Telephone System;
- b. the payment of all the equipment purchased or leased in connection with the Inmate Telephone System; and
- c. the salaries, benefits, and other expenses of personnel who install, operate, and maintain the Inmate Telephone System. \*

The "Commissary Fund" is generally referred to as the "Trust Fund" and the "funds of federal prisoners" as the "Inmate Deposit Fund".

The Trust Fund's purposes remain essentially the same as when created:

- To maintain inmates' monies (Deposit Fund) while they are incarcerated.
- To provide inmates the privilege of obtaining merchandise and services either not provided by the Bureau or of a different quality than that provided by the Bureau.

2. OVERVIEW. The **management of inmate funds** and the **operation of the Trust Fund**, as authorized, are designed primarily for the benefit of inmates. Use of Trust Fund services is, however, a privilege granted each inmate; therefore, the Warden or an authorized representative may limit or deny the privilege of a particular inmate. Similarly, the maximum amount that may be expended by an inmate for Trust Fund items or services is a controllable privilege. The number of times an inmate may visit the Commissary is controlled by the administration of each institution. The number of visits and hours of Trust Fund operations are established in accordance with available staff resources, considering the time required for office duties, receiving, stocking, cleaning, inventory management, etc.

3. SOLE AGENCY FOR PURCHASE BY INMATES. The institution Trust Fund operation shall be the sole agency for purchase by inmates of approved articles or services not routinely supplied by the institution.

4. TRUST FUND COMPUTER OPERATIONS. Various Chapters of this Manual refer to operations conducted on the Federal Prison Point of Sale (FPPOS) or the Inmate Telephone System (ITS) computer systems. All procedures conducted on the FPPOS System are to be performed in accordance with the Federal Prison Point of Sale Technical Reference Manual; all procedures conducted on the ITS are to be performed in accordance with applicable manuals. \*

\*

Computer security shall be maintained in accordance with the Program Statement on Computer Security. Access to Trust Fund computer systems shall be limited to staff who have been assigned by the Trust Fund Supervisor to perform or manage operations conducted on these systems. Computer hardware will be secured (completely logged out) when not in use.

## Chapter 4502 - Trust Fund Operations and Controls

1. PURPOSE AND SCOPE. This Chapter establishes guidelines for the operation and control of Trust Fund programs, including the Inmate Deposit Fund (inmate monies trust account).

2. CONTROLS AND RESPONSIBILITIES. The Trust Fund (15X8408) and the Inmate Deposit Fund (15X6085) are the control accounts for Trust Fund operations. These two appropriation-level accounts and their related general ledger accounts shall be maintained using Generally Accepted Accounting Principles (GAAP), the Financial Management System (FMS), the Financial Management Information System (FMIS), the Federal Prison Point of Sale (FPPOS) System and the Inmate Telephone System (ITS). Specific policy governing the operation of these accounts follows in subsequent Chapters of this Manual and the Accounting Management Manual.

The Controller is delegated responsibility for overall control at the institution of the Trust Fund operation and Inmate Deposit Fund accounts. The Trust Fund Supervisor is responsible for managing the day-to-day operations relating to the Commissary, ITS, Warehouse, and Laundry to ensure compliance with all operational policies, reporting requirements, and budgeted resources.

\* Principal financial statements plus an annual report on results of operations are prepared by Central Office Trust Fund Branch \* staff. Upon request, these statements and the report may be made available to the public.

The financial records and procedures of each institution shall be independently audited to ensure that operations and inmate funds are properly safeguarded. The audit shall be conducted by a team of Bureau personnel from other institutions and Central/Regional Offices.

3. COORDINATOR. The Chief, Trust Fund Branch is responsible for addressing questions of policy, distributing funds and allocating positions.

The Chief, Trust Fund Branch shall ensure that in accordance with the settlement agreement in the Washington vs Reno, consolidated civil case nos. 93-217, 93-290 (E.D.KY) litigation:

È The Bureau shall conduct two surveys comparing the prices of selected items sold in the Commissaries of several correctional institutions operated by the Bureau of Prisons with the prices of identical or similar items sold in retail convenience stores and supermarkets in the community surrounding the correctional institutions. One survey shall be conducted

within 12 months

of the Court approval of the settlement agreement, and a second survey shall be completed within three years after the first survey.

§ If the debit rates under the New Telephone Contract ("New Debit Rates") are set by the Bureau, the New Debit Rates charged to inmates in correctional institutions operated by the Bureau shall not exceed the highest debit rates charged to inmates in the state correctional institution having the highest debit telephone rates.

§ The Trust Fund receives four million (\$4,000,000) from the Bureau and shall distribute the four million dollars to correctional institutions within four years of the date of the Court approved settlement agreement. The Warden shall use the funds received from this distribution for purposes that accrue to the benefit of the inmate body as a whole such as amusements, education, library and general welfare work. The Warden shall establish a procedure for receiving the inmates' suggestions and recommendations for how these funds should be spent.

§ Fifty percent of the salaries and benefits of the Trust Fund Supervisor are to be paid from the S&E appropriation.

Each pay period, 50 percent of **all hours** (50 percent of regular hours; 50 percent of overtime hours, etc.) recorded for the Trust Fund Supervisor shall be charged to the S&E Appropriation: X23-XXX-C-320-536-89K (X is the fiscal year; XXX is the institution code).

Fifty percent of **all hours** recorded for the Trust Fund Supervisor shall be charged to the Trust Fund Appropriation: X43-XXX-7-320-536-89K (X is the fiscal year; XXX is the institution code).

## **Chapter 4503 - Accountability of Employees**

1. PURPOSE AND SCOPE. This Chapter details the responsibilities of staff involved in the maintenance of the Inmate Deposit Fund and the operation of the Trust Fund Commissary and Inmate Telephone System (ITS). This policy relates to all staff having any managerial or operational functions dealing with inmate monies, including, but not limited to, visiting room personnel, Inmate Systems Management staff, and Office of Financial Management staff.

Bureau employees are prohibited from receiving funds or gifts from inmates for personal use, for investment for an inmate, or for any other purpose except as herein prescribed.

2. FINANCIAL RESPONSIBILITIES. Employees whose duties include handling monies belonging to inmates or who make entries to inmates' Deposit Fund accounts shall be personally liable for the accuracy of their work. All staff shall be held responsible for the proper disposition (entries) of funds and shall provide restitution to the proper Inmate Deposit Fund account for any losses occasioned by their error or negligence.

3. RESOLUTION OF ERRORS. The majority of instances involving loss or shortage are explainable and the funds shall be restored immediately. Errors such as entering the incorrect inmate name or register number on the receipt, depositing funds to the incorrect account, and selling or withdrawing from the incorrect account(s) shall be corrected by:

    E Restitution by employee(s) involved.

    E Adjusting the inmate account(s). Adjustments shall be made and documented regardless of the current balance in the inmate account(s). Credit ("red") balances must be documented with information as to how the error occurred and what efforts were initiated to resolve the credit balance.

Any adjustment made to an inmate account shall be adequately documented with reference to the source of the error. If adjustments create a credit balance on an inmate account record, procedures outlined in the Accounting Management Manual shall be followed.

If relief is sought, documentation and application for relief shall be forwarded to the Chief, Finance Branch through the appropriate Regional Comptroller.

## **Chapter 4504 - Utilization of Trust Fund Financial Resources**

1. PURPOSE AND SCOPE. This Chapter details the utilization of Trust Fund financial resources. The Trust Fund Appropriation (15X8408) manages funds that are distributed under the following Decision Units, which require expenditures under the designated Cost Centers only:

— Decision Unit 1. Trust Fund Commissary Operations (Cost Centers 123, 223, 323); Commissary Renovations (Cost Center 388).

\* — Decision Unit 2. Trust Fund Profit Sharing (Cost Centers 123, 223, 323 for general profit sharing; 312, 316, 313, and 367 for inmate programs). \*

— Decision Unit 6. Trust Fund Training (Cost Center 124).

— Decision Unit 7. Trust Fund Inmate Telephone System Operations (Cost Centers 120, 220, 320).

2. TRUST FUND OPERATING FUNDS. The Trust Fund shall use financial resources for the following purposes:

- Salaries and benefits for Trust Fund employees.
- Commissary resale merchandise.
- Services for the operation of the ITS.
- Commissary and ITS computer systems.
- Commissary and ITS personal property (freezers, safes, shelving, etc.).
- Commissary and ITS operating supplies.
- Salaries for inmate workers employed by the Commissary.

3. TRUST FUND RESERVE FUNDS. The Trust Fund shall maintain financial reserves for the following purposes:

- Renovate Trust Fund facilities.
- Replace outdated equipment (capital expenditures).
- Activate new Trust Fund facilities.

- Initiate new Trust Fund programs.
- Respond to unforeseen contingencies (sales merchandise and equipment replacement due to hurricanes, fires, etc.).

Annually, the Trust Fund Branch shall develop a plan for the renovation or modernization of Trust Fund facilities. The Budget Execution Manual provides instructions for requesting renovation funds.

Requests for startup funds and positions for activation of new facilities (Commissary and ITS operations) shall be forwarded from the Regional Activation Coordinator or Regional Comptroller to the Chief, Trust Fund Branch approximately 10 months prior to the anticipated activation date.

4. TRUST FUND PROFITS. The Chief, Trust Fund Branch shall annually review the financial status of the Trust Fund to determine whether funds are available for distribution of profits to institutions. If funds are not available, no distribution shall be made. If funds in excess of operating expenses and required reserves are available, they may be distributed based on the institution population and the performance of each institution's operation measured against established Performance Objectives. Performance Objectives for the year shall be announced in October. The evaluation of performance and determination of the institution's profit-sharing amount shall be determined after the close of the Fiscal Year. The Chief, Trust Fund Branch shall make the distribution of funds for expenditure in the next year through an allotment advice to the regions.

Trust Fund profits may not be used for the personal benefit of individual inmates, but shall be used to provide benefit or the opportunity to benefit all inmates. In addition, profits may not be used to purchase items ordinarily procured from funds appropriated by Congress for care of prisoners.

\* a. Authorized Expenditures of Trust Fund Profits. Trust Fund profits may be expended on items, services, and programs as follows:

- **Prizes and Awards** such as soft drinks, snacks (such as popcorn, chips, or ice cream), or other non-property type items for field day events, recognition gatherings, talent shows, and bingo.

- **Recreation Activities** such as movies, cable television, educational tapes and books, board/card games and game tables, entertainment such as guest speakers, plays, and musical groups. \*

**Note:** Funds under this category for purchasing movies and cable television are subject to restrictions. They may only be used to purchase a single premium cable movie television channel or a video license and video rentals.

If the institution has sufficient Trust Fund Profit Sharing funds, such additional cable services as ESPN, MTV, Black Entertainment Channel (BET) or Univision (Spanish Channel) may be purchased. However, the institution is still limited to one premium movie channel if the institution does not purchase a video license and rentals.

Satellite dishes may be purchased only when a request is approved by the Regional Director and the Chief, Trust Fund Branch.

- **Arts and Crafts Activities** and instructors for arts and craft activities.
- **Recreation Programs, Equipment and Supplies** such as non-electronic score boards, team shirts, non-electronic musical instruments, recreational equipment and supplies, etc.
- **Educational Programs and Supplies** such as self-help and educational videos, equipment for audio visual centers in libraries, subscriptions to vocational magazines, library books, etc. which are in addition to the standard items which are purchased by S&E. Educational programs may include instructors, speakers and seminars of vocational or life-skill value (job interview skills, resume writing,) job fairs, etc.
- **Inmate Services Items** such as microwaves for inmates to use with Commissary purchased items, televisions for television rooms in excess of any supplied under the S&E appropriation, washers and dryers for inmate use (provided the institution has a regular institution laundry operation), popcorn machines, typewriters and typewriter supplies, microwave ovens, etc.

- **Holiday Programs** such as special seasonal programs, unit and visiting room holiday decorations; inmate holiday gift packages, etc.
- **Inmate Health/Fitness Programs** such as instructors and supplies for wellness, nutrition, physical fitness, and health fairs, etc.
- **Childrens Items/Programs** for children of inmates, such as games, books, toys, play areas with playground equipment, Family Day Activities, etc.
- **Activities of Inmate Organizations** - activities of Inmate Organizations which the Warden approves under the Program Statement on Inmate Organizations. This may include a special meal for an inmate organization event provided the meal is provided in accordance with other Bureau policy.
- **Other items** as approved by the Assistant Director for Administration under these guidelines.

b. Special Allotments for Inmate Programs. The Trust Fund may provide special allotments for certain inmate programs. Only the specified amount of the Trust Fund allotment is to be used to fund each program.

- **Inmate Performance Pay.** Beginning in Fiscal Year 1999, the Trust Fund will provide an allotment for Inmate Performance Pay (IPP) at institutions. Only the specified allotment of the Trust Fund profit distribution is to be used to pay inmate salaries (i.e. other profit sharing funds may not be used to fund additional inmates) and this allotment may not be used for other profit sharing purposes or for other Trust Fund or S&E purposes.
- **Base Recreation Operating Costs.** Beginning in Fiscal Year 1999, the Trust Fund will provide an allotment for the basic operating costs of the Recreation program. This allotment is to be used for contracts, supplies, and equipment related to fulfilling the mission of the Bureau's inmate Recreation program. This allotment shall not be supplemented with other S&E funds.

**Note:** The S&E appropriation will continue to be used for staff related expenditures such as salaries, benefits, travel, and training.

- **Other Inmate Programs.** The Trust Fund may provide special allotments for inmate programs such as Advanced Occupational Education, Artists in Residence, Inmate Placement, Beckley Responsibilities and Values Enhancement (BRAVE), and Challenge, Opportunity, Discipline, Ethics (CODE), etc. An allotment for these programs may be used for contracts, supplies and equipment related to the designated program. No funds from these allotments is to be expended for employee salaries, benefits, travel or training.

c. Prohibited Uses of Trust Fund Profits. Expenditures of Trust Fund profits are not to be made for the following:

- Individual items of clothing or property for inmates such as sweatsuits, shoes, bedding, etc.
- Instruction (live or broadcast) or training equipment for boxing, wrestling, judo, karate, or other martial arts, or for the purchase of any bodybuilding or weight lifting equipment.
- Electric or electronic musical instruments.
- Premium movie cable television channel or video rentals which provide for the viewing of R, X, or NC-17 rated movies unless procedures have been implemented to prohibit these types of rated movies from being viewed by the inmate population.
- \* — Pay-per-view television events. \*
- Construction or renovation of buildings, running tracks, gymnasiums, playing courts and fields. See Paragraph 3 for approved renovations.
- Items which are security related such as radios, handcuffs, fences, razor wire, high mass lighting etc.
- Prepared meals from outside sources such as Dominos Pizza, Kentucky Fried Chicken, Burger King Burgers/Fries etc.
- Utility expenses such as water, electric, etc.
- Medical services, supplies or medical equipment which are the responsibility of the Health Services Budget.
- Barber Shop/Beauty Shop Equipment/Supplies.

- Basic furniture for living units or the visiting room such as chairs, tables; furnishings such as in-cell coffee pots or in-cell televisions.
- Funds paid directly to inmates or loans to inmates and donations to charities or dues to National organizations.
- Items, or programs which are the primary responsibility of another Department which has been provided S&E funding for that purpose (i.e., Education/Legal/Food Service/Medical).

d. Questions regarding appropriate uses of Trust Fund profits shall be directed to the Chief, Trust Fund Branch, Central Office.

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5. ALLOCATION OF FUNDS AND POSITIONS - TRUST FUND APPROPRIATION.

Funds for Trust Fund operations are authorized by the Chief, Trust Fund Branch and distributed through the Bureau Budget Execution process. Regulations concerning obligation and accounting for funds from the 15X8408 Appropriation are found in the Accounting Management Manual and the Budget Execution Manual.

The Chief, Trust Fund Branch shall annually issue guidelines for the submission of budget requests for the upcoming year. Certain operating funds, such as inmate pay, overtime, and operating supplies, shall normally be distributed by equity formula.

Requests for equipment replacement and funds for renovation of Commissary facilities shall be part of the annual budget submission. Institutions requesting funds in excess of the yearly allotment for any designated category (Object Class) (i.e., emergency need for equipment replacement, special needs for additional telephone services) shall route the request through the Regional Comptroller to the Chief, Trust Fund Branch for consideration of funding. In all cases, funds must be approved and allotted prior to expenditure by the institution.

The Chief, Trust Fund Branch allots approved Trust Fund positions through the Budget Execution process. Positions are normally allotted to institutions based on an equity formula. Requests for Trust Fund positions shall be routed through the Regional Comptroller to the Chief, Trust Fund Branch for review and approval. Funds from the Trust Fund Appropriation may be used to fund only the number of authorized Trust Fund positions. At no time shall Trust Fund funds be expended for the regular salary of any positions in excess of the number authorized.

To ensure meeting the terms of the Washington vs Reno litigation settlement agreement, changes in the duties and responsibilities and/or the position description of the Trust Fund Supervisor shall require concurrence of the Chief, Trust Fund Branch. See Chapter 4502 for information on accounting for the Trust Fund Supervisor position.

The Trust Fund Supervisor shall ensure the operation is managed within the allotted budget resources (funds and positions).

The Trust Fund Supervisor is the Cost Center Manager for X4 Cost Centers (Decision Unit 1, Cost Center 323; Decision Unit 2, Cost Center 323; Decision Unit 7, Cost Center 320) and must follow the requirements in the Budget Execution Manual for assigning a control number and certifying funds are available for purchases from their cost center. The use of the fund control system is optional for purchase of Commissary resale items. In lieu of using the standard system for fund control of resale items, the Trust Fund Supervisor must review FMS or FMIS reports at the end of each month to ensure obligations for resale items do not exceed the allotted budget plan for this category. Copies of the monthly review shall be maintained on file. The Trust Fund Supervisor may also be the Cost Center Manager for Cost Center 323, Inmate Services. The appropriate Cost Center Manager is responsible for funds allotted to special programs under Paragraph 4.b. \*

6. PERSONAL PROPERTY. Policy regarding the purchase of capitalized and non-capitalized personal property from the Trust Fund Appropriation is found in Chapter 4507 of this Manual.

7. GIFTS AND BEQUESTS. The Attorney General may accept gifts or bequests of money for credit to the Trust Fund appropriation. The authority to accept gifts or bequests has been delegated to the Director, Bureau of Prisons (28 CFR 0.96(f)), and is redelegated to the Assistant Director, Administration Division and the Chief, Trust Fund Branch.

## **Chapter 4505 - Inmate Trust Fund Workers**

1. PURPOSE AND SCOPE. This Chapter describes the roles of inmates and outlines conditions and procedures for compensating inmates employed in Trust Fund operations.

2. CONDITIONS. Inmates receive compensation from the Trust Fund appropriation for work performed in the Commissary. Inmates shall have no duties assigned related to the ITS and no compensation is authorized for that purpose.

3. RATE OF PAY. The hourly rate of pay for inmates assigned to the Commissary is:

- \$ .55 per hour starting.
- .75 per hour after 3 months' service, if warranted.
- .95 per hour after 6 months' service, if warranted.
- 1.20 per hour after 9 months' service, if warranted.

Any increase in pay (which shall not exceed \$1.20 per hour) shall be based upon the inmate's work performance and availability of funds.

4. PAYROLL. Optional Form 1017G (Journal Voucher) shall be used to prepare the monthly payroll. Payroll documentation shall include the name and register number of each inmate worker, the period covered, the hourly rate, and the gross pay.

The payroll is certified with the following statement:

"I certify that this payroll is for payment to inmates whose employment is directly related to Trust Fund sales activity."

The payroll shall be prepared by the Trust Fund Supervisor or designee and approved by the Controller. The Trust Fund Supervisor shall ensure that expenditures for inmate pay do not exceed the authorized cumulative Trust Fund quarterly allotment of funds for inmate salaries.

Relatively short absences due to call outs, hospitalization, sick line, etc., do not affect the period covered.

5. PART-TIME WORKERS. Inmates working part-time in the Commissary during the evening and at other jobs during the day may be paid Performance or UNICOR pay for the daytime jobs and Trust Fund pay for the evening work. Good judgement must be used when employing an inmate in two areas, with consideration given to work schedule and security conflicts.

6. RESTRICTIONS ON INMATE DUTIES. Inmates shall not have access to the Federal Prison Point of Sale (FPPOS) system or Inmate Telephone System (ITS) computers except through the Automated Inquiry Machine (AIM) or the ITS telephone to access personal account information. Inmates shall not have access to Trust Fund computer manuals. Inmates shall not at any time handle other inmates' original Commissary sales receipts, or aid in sales reconciliation procedures. Inmates shall not participate in Commissary inventories other than moving cartons to facilitate the count. Inmates shall not handle documents related to the operation of the ITS, unless expressly authorized in this Program Statement or other Bureau policy.

## Chapter 4506 - Trust Fund Purchasing and Receiving

1. PURPOSE AND SCOPE. This Chapter outlines purchasing and receiving procedures under the Trust Fund Appropriation.

2. GENERAL PURCHASING/REPORTING REQUIREMENTS. Trust Fund funds shall be used to purchase supplies and equipment directly related to sales functions. The funds shall not be used to procure plumbing, electrical, air conditioning, or any other types of maintenance equipment and supplies except for funds approved under the formal Trust Fund renovation process.

Trust Fund contracts and purchase orders shall be subject to the same rules, regulations, and limitations governing institution transactions, with the exception that it is optional for institutions to obtain competitive bids for Trust Fund merchandise purchased for resale in the Commissary. In addition, it is not mandatory that Federal Supply Service (FSS) schedules be used to purchase items for resale. By approval of the Commissioner, General Services Administration (GSA), on September 13, 1963, stock items may also be purchased through the GSA Supply Catalog for resale in the Commissary. When the procurement is not competitive and specific brands of merchandise are required, care shall be exercised that the procurement is made directly from a manufacturer or distributor who provides a fair and reasonable cost.

### 3. PURCHASING AND RECEIVING

— Purchase. Requests for Purchase (BP-101) and Purchase Orders for supplies, equipment, and services from the Trust Fund Appropriation shall be prepared in accordance with the procedures outlined in the BOP Acquisition Policy. Additional procedures for purchasing equipment from the Trust Fund Appropriation are detailed in Chapter 4507 of this Manual.

— Receipt. Upon receipt of Trust Fund supplies, equipment and services at the institution, a Receiving Report (Purchase Order for complete order and BP-104 for partial order) or other approved receiving document shall be prepared and processed in accordance with Chapter 4573 of this Manual.

— Use of Government Credit Card for Trust Fund Purchases.  
\* The Government Credit Card shall be used to procure Trust Fund supplies, equipment, and services within the \$2,500 limit as authorized under the procedures outlined in the Government Commercial Credit Card Program.

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4. PURCHASING/RECEIVING SPECIFICALLY RELATED TO THE PURCHASE OF COMMISSARY RESALE MERCHANDISE. Chapter 4527 of this Manual includes specific requirements for purchasing and receiving Commissary resale items. The special procedures required to use the Government Credit Card for purchases of Commissary merchandise are outlined in Chapter 4527 of this Manual.

5. CASH PURCHASE PROCEDURE. Institutions may use cash purchase procedures for making purchases for the Trust Fund (15X8408) in accordance with the Accounting Management Manual. Receiving Reports shall be prepared for all purchases of merchandise bought for resale in the sales unit.

## **Chapter 4507 - Trust Fund Personal Property**

1. PURPOSE AND SCOPE. This Chapter details procedures for obtaining personal property through the Trust Fund Appropriation.

2. PURCHASE OF PERSONAL PROPERTY. Capitalized or non-capitalized personal property shall not be obtained (donated or purchased) without prior approval from the Chief, Trust Fund Branch. The definition of personal property is found in the Property Management Manual.

All personal property purchased from 15X8408, Trust Fund Appropriation, must be Commissary or ITS sales or sales-related items. Requests for personal property shall normally be submitted through the annual budget request process. An individual justification (BP-135) shall be submitted to the Chief, Trust Fund Branch through the Regional Comptroller, as indicated in the Budget Execution Manual except as outlined below in Paragraph 8. If approved, the request will receive a Special Authorization (SA) Number. This number shall appear on the Purchase Order in the Request for Purchase block. The SA Number also provides authority to expend Trust Fund funds for personal property items.

SA Numbers are required for the purchase or rental of a copy machine used for inmate copy operations. However, the Department of Justice forms are not required when the copy machine is funded through the Trust Fund Appropriation.

3. CONTROLLED/CAPITALIZED PERSONAL PROPERTY. Controlled or capitalized (more than \$5,000 in value) personal property (see Property Management Manual) purchased from the Trust Fund Appropriation shall be entered into the SENTRY Property Management System (SPMS) and maintained in accordance with guidance provided in the Property Management Manual.

**Note:** A waiver was granted to the Trust Fund to exclude non-capitalized FPPOS computer equipment (computers, printers, scanners, etc.) from the controlled property listing. All other Trust Fund equipment, including FPPOS equipment over \$5,000, shall continue to be controlled in SPMS in accordance with the Property Management Manual.

4. CAPITALIZED PERSONAL PROPERTY PURCHASED FROM PROFIT SHARING FUNDS. Equipment purchased from Trust Fund profit distributions shall be handled in the same manner as all other capitalized personal property. Upon receipt, the item(s) shall be entered into the SENTRY Property Management System (SPMS) under the

Salaries and Expense Appropriation (Cost Center where item is located). An entry into FMS shall be made in accordance with guidelines in the Accounting Management Manual. The purchase of capitalized or non-capitalized personal property, using Trust Fund profit-sharing funds, does not require prior approval or a Special Authorization (SA) Number from the Chief, Trust Fund Branch.

5. PERSONAL PROPERTY FROM SURPLUS SOURCES. Personal property may be acquired from surplus sources. Procedures outlined in the BOP Acquisition Policy (521BPAP) and the Property Management Manual for obtaining items from surplus sources shall be followed.

6. SURVEY OF TRUST FUND PERSONAL PROPERTY. Central Office Trust Fund Branch approval is not necessary before disposing of Trust Fund-controlled personal property. A Report of Survey (BP-111) shall be prepared and processed in accordance with the Property Management Manual.

A copy of the Report of Survey for Trust Fund personal property damaged or lost through unusual circumstances, such as fire or theft, shall be forwarded through the Regional Comptroller to the Chief, Trust Fund Branch promptly after completion. An explanation of circumstances relating to lost property must accompany the Report of Survey.

\* 7. TRANSFER OF PERSONAL PROPERTY. Equipment, purchased with Trust Fund funds for use in the Trust Fund operation, which is no longer being used should be made available to other Bureau Trust Fund operations prior to being transferred to another non-Trust Fund appropriation either locally or at another institution. If efforts have been exhausted for transferring the property within the Bureau, the property may be offered as excess property outside the Bureau consistent with the Property Management Manual. \*

— Transfer Between Institutions. Personal property may be transferred from one institution Trust Fund operation to another using the guidelines for transferring excess property outlined in the BOP Acquisition Policy, the Property Management Manual, and the SENTRY Financial Management Technical Reference Manual.

Equipment may be transferred from one Trust Fund operation to another without Trust Fund Branch approval by using the SENTRY Property Management System (SPMS) Transfer Out (TRO) function using Appropriation X4, Cost Center 322, PMS 538, as the warehouse storage code. When the X4 Appropriation is used for the TRO function, FMS entries are accomplished automatically and

no manual entries are required. Manual entries are required in FMS only if Trust Fund equipment is transferred to a different appropriation.

— Transfer from Trust Fund to Other Appropriations.

Institutions planning to transfer personal property from the Trust Fund Appropriation to another appropriation shall submit a completed Stores Requisition (BP-100) through the Regional Comptroller to the Chief, Trust Fund Branch for approval prior to transfer. This requirement does not apply to equipment purchased under the Trust Fund profit-sharing program.

8. TRUST FUND EQUIPMENT PRIORITY LIST. Annually, institutions shall develop their equipment needs along with the budget request for operational expenses in accordance with the Budget Execution Manual. Each institution will be supplied a minor equipment budget as a standard part of the initial financial plan for the \* purchase of Commissary related equipment only. These funds may be expended for minor equipment under one Special Authorization Number (provided with the financial plan) except that these funds shall not be used to purchase computer equipment or computer peripherals. An individual Equipment Justification (BP-135) is required for any requested major or minor equipment (controlled, capitalized, and non-capitalized) which is in addition to the above referenced initial \$1,500 allotment or for any computer equipment. Funding and Special Authorization Numbers for approved items shall be included in the initial financial plan.

Supplemental requests, including the BP-135, for any major or minor equipment shall be forwarded to the Chief, Trust Fund Branch through the Regional Comptroller. If approved, a Special Authorization (SA) Number will be assigned. SA Numbers shall be placed on all procurement documents to support the procurement.

\* **Chapter 4508 - Trust Fund Document Retention Schedule**

1. PURPOSE AND SCOPE. This Chapter provides guidelines for the length of time Trust Fund documents are to be retained before destruction or archiving. This Chapter is intended as a guide for Trust Fund documents, and it and all other documents will be retained as referenced in the Financial Management Technical Reference Manual.

2. DOCUMENT ORIGIN. The originator of records maintained at the institution, region, and Central Office levels is the office of record for retention and disposition. Duplicate copies of records may be maintained at the Region or Central Office levels as necessary for Program Review analysis, and may be disposed of at that particular office's discretion.

3. RETENTION SCHEDULE FOR TRUST FUND DOCUMENTS.

- a. Trust Fund Federal Prison Point of Sale (FPPOS) System.

<u>Title of Forms</u>	<u>Disposal Instruction</u>
1. Sales Receipts and Cash Drawer Summary Packets/Close the Store Report	Retain six years and three months after the end of the fiscal year and destroy at the end of retention period.
2. Inventory Adjustments	Destroy two years after date of survey action or date of posting medium.
3. Cost/Sales Price Changes	Destroy two years after date of survey action or posting medium.
4. Detail Control Account Monthly/ Financial Statement	Destroy three years after the end of fiscal year or the period covered.
5. FY XXXX 4th Quarter Backup (End-of-Year)	Retain six years after the end of the fiscal year and reformat and destroy cartridge at end of retention period.
6. Quarterly Backup	Retain current fiscal year; at end of retention period cartridge may be reused.

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| 7.  | Year-end Close-out<br>Procedure Files                    | Retain two years after the end<br>of fiscal year and destroy at<br>the end of retention period.            |
| 8.  | Report of Survey<br>(Commissary Copy)                    | Destroy two years after date<br>of survey action.  |
| 9.  | Fund Control Records                                     | Retain two years after the end<br>of fiscal year and destroy at<br>end of retention period.                |
| 10. | Receiving Reports<br>(FPPOS and Warehouse<br>Copy)       | Retain two years after the end<br>of fiscal year and destroy at<br>the end of retention period.            |
| 11. | Special Purpose Orders                                   | Retain two years after the end<br>of the fiscal year and destroy<br>at the end of the retention<br>period. |
| 12. | Purchase Request<br>(Warehouse Copy Only)                | Retain one year after the end<br>of the fiscal year and destroy<br>at the end of the retention<br>period.  |
| 13. | FPPOS Generated Request<br>for Purchase                  | Retain one year after the end<br>of the fiscal year and destroy<br>at the end of retention<br>period.      |
| 14. | Stock Record Cards                                       | Retain two years after the end<br>of the fiscal year and destroy<br>at the end of the retention<br>period. |
| 15. | Inventory Reports<br>(Worksheets, Stock<br>Status, etc.) | Retain two years after the end<br>of the fiscal year and destroy<br>at the end of the retention<br>period. |
| 16. | Daily Balancing Reports<br>(FPPOS Inventory)             | Retain one year after the end<br>of the fiscal year and destroy<br>at the end of retention<br>period.      |
| 17. | Clothing Issue Records                                   | Destroy upon transfer or<br>release of inmate.   |

b. Trust Fund Inmate Telephone System (ITS).

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| 1. | Monthly Six Part Folder                              | Retain two years after the end of the fiscal year and then destroy.  |
| 2. | Monthly Real Time Activity Report                    | Retain most recent 12 months and then destroy.   |
| 3. | ITS Transaction Control Log Book                     | Retain two years after the end of the fiscal year. Multiple years may be included in one log book.                             |
| 4. | Telephone Number Request Forms                       | Retain 30 days, then destroy.  |
| 5. | Requests for Denial or Removal of a Telephone Number | Records shall only be removed from this file when an inmate is released or transferred.  |
| 6. | Individual Inmate Balance                            | Retain the most recent seven days then destroy.  |
| 7. | Quarterly Back-up Tape Number 1                      | Retain six years in a fire resistant compartment in a secure location separate from the ITS computer equipment.                |
| 8. | Quarterly Back-up Tape Number 2                      | Retain three months in a fire resistant compartment in a secure location separate from the ITS computer equipment, then reuse. |
| 9. | Trouble Reporting Log Book                           | Retain one year after the end of the fiscal year. Multiple years may be included in one log book. *                            |

## Chapter 4520 - Security - Commissary

1. PURPOSE AND SCOPE. This Chapter details minimum guidelines for maintaining the security of the Commissary.

2. COMMISSARY SECURITY. Security is of utmost importance to all personnel involved in Trust Fund operations. Merchandise lost through negligence or theft by inmates reduces the funds available for the total Trust Fund operation. The minimum security standards for Commissary procedures are:

    E All inmate workers entering or leaving the Commissary must be pat searched. Occasional visual searches (strip searches) are authorized and shall be conducted in accordance with the Program Statement on Searches of Housing Units, Inmates, and Inmate Work Areas.

    E All trash leaving the Commissary must be searched by a staff member. Boxes and cartons shall be broken down.

    E Inmates who steal merchandise from the Commissary are subject to a disciplinary action in accordance with the Program Statement on Inmate Discipline and Special Housing Units.

    E No more inmates than staff can effectively manage and control shall be permitted to work in the Commissary during the sales period. Inmates shall never work in the Commissary without staff supervision. At no time shall inmates be locked in the Commissary without a staff member present.

    E At least annually, at the Controller's request, a Correctional Services staff member shall perform a complete security review, including a check of the physical facilities of the Trust Fund operation. This review will be accomplished by summarizing the quarterly security reviews as outlined in the Correctional Services Manual. A written report of the findings shall be submitted to the Controller and Trust Fund Supervisor. The Controller shall notify the Chief, Trust Fund Branch through the Regional Comptroller of any significant security problems identified in the reviews. \*

3. KEY SECURITY. Trust Fund operation keys are considered "hot" keys and shall only be issued to designated staff. Employees assigned to work in the Commissary, the Controller and/or the designated supervisor of Trust Fund operations, may have keys to the Commissary and storage areas on a 24-hour check out basis. Employees not directly assigned to the Commissary or storeroom shall not have keys to these areas. A key to the Commissary and storage areas shall be kept under glass in the control room for emergencies (e.g., fire or refrigeration breakdown). Trust Fund keys in the control room shall have the same restrictions as those imposed on the key to the tele-key cabinet.

When it is considered to be in the best interest of the Bureau that Trust Fund keys remain at the institution, the following procedures shall be followed. A special wood/metal box(s) with a glass front, large enough to contain the entire Trust Fund key ring(s), (or an individual Trust Fund key ring) shall be constructed and placed in the control room. At the end of each work day, the Trust Fund ring(s) shall be securely locked in this box. A key to the locked box may be checked out on a 24-hour basis to designated employees assigned to the Commissary, the Controller and/or the designated supervisor of Trust Fund operations. In an emergency, the glass may be broken to obtain the keys. After any such incident, a memorandum shall be forwarded to the Controller documenting the situation that required emergency key access.

4. HOT ROOM SECURITY. Each institution shall establish local procedures, either as a separate Institution Supplement, or as a component of a consolidated Institution Supplement on Trust Fund operations, for a "hot room" in the warehouse to secure Trust Fund merchandise upon receipt. The "hot room" must be a secure locked area in the warehouse separate from other institution storage areas. Only Trust Fund merchandise shall be stored in the "hot room." At no time shall inmates be allowed access to the "hot room" unless supervised by warehouse staff. When warehouse space is not available, Trust Fund merchandise shall be received directly into the Commissary. In no circumstances shall Trust Fund merchandise be left in an unsecured area in the warehouse.

5. MERCHANDISE SECURITY. Proper and positive identification of inmates is essential. A sale shall be made only after the inmate has been positively identified by checking the Inmate Account Card photograph. If the institution has not implemented the Inmate Account Card Program, an Institution Supplement addressing procedures to positively identify inmates must be established.

To ensure that sales items are not concealed inside one another or otherwise mishandled, a staff member shall pass merchandise through the sales window to the inmate. Staff shall not rely on inmate employees for a count of the quantity sold or for the item numbers of the merchandise sold.

Care must be exercised in moving inventory from the warehouse to the Commissary. When supplies must be moved across the compound, institutions should consider a covered, securable container. No more inmates than can be properly supervised shall be used to transport supplies.

Small valuable items (watches, radios, tokens, etc.) shall be kept in a securely locked location. Only the minimum number of items expected to be sold during a sales period shall be removed from the secure location.

6. COIN AND STAMP SECURITY. Coins and postage stamps brought to the sales counter shall be secured in a locking drawer, cabinet, or other lockable container at the sales counter, and returned to the safe when sales are not being conducted.

\* A running inventory of the total quantity of coins and stamps shall be maintained on a Stock Record Card (BP-109) or in a ledger book for each accountable salesperson. The Stock Record \* Card shall be updated after each sales period to reflect the number of coins and stamps sold. Any unreconciled discrepancy must be reported by close of business the following day to the Trust Fund Supervisor, who shall initiate appropriate action for resolution as prescribed in Paragraph 7 below.

A fire-resistant, sturdy, and physically substantial safe containing separate lock-compartments (either by key or combination) shall be used to maintain the stock of coins and stamps for the Commissary. The compartments must be numbered and labeled on the outside door of each compartment. A safe with a lockable external door is preferred. Those institutions, where no coins are maintained in the Trust Fund inventory, may use a sturdy fire-resistant locking cabinet for stamps.

The safe must be located in a room or office that is secure and separate from the general Commissary stock areas. As an example: The safe shall not be located in an area where inmates may have an opportunity to tamper with it. Inmates shall not be in the room/office when the door(s)/compartment(s) are unlocked. Ideal locations include a locked Commissary staff office or "hot room."

The supervisor of Warehouse operations shall be assigned a minimum of one compartment within the safe. Only this individual shall possess the combination/key to his/her assigned compartment.

A separate compartment equipped with a separate combination/key lock shall be assigned to each member of the Warehouse staff conducting Commissary sales. Only the individual assigned to the compartment shall possess the combination/key. A duplicate combination/key to each separate compartment within the safe shall be sealed by the employee in a separate envelope with his/her signature and date placed across the seal. The statement below shall appear on the envelope; the employee shall obtain the signature of the Warden and hand carry the envelope to the security officer, who will maintain it in the tele-key cabinet.

"This envelope containing the duplicate combination/key to (**insert employee's name**) compartment number (**insert compartment number**) of the Commissary safe containing coins and stamps shall be opened only in the presence of two members of the following committee (one of which will be the Controller or the Trust Fund Supervisor):

Controller  
Trust Fund Supervisor  
Supervisor of Warehouse operations (only if the envelope  
does not contain the key/combination to this individual's  
compartment)  
One other Financial Management employee

Signed \_\_\_\_\_  
(Warden)

Date \_\_\_\_\_

The procedures listed below shall be followed when a sealed envelope/compartment is opened:

# Inventory and compare the number of coins and stamps in the compartment with the information on the stock record cards. Document by memorandum the results of each stamp and coin denomination inventory in the compartment.

# Transfer the contents to another appropriate employee using a Stores Requisition, Invoice and Transfer form (BP-100).

# Have the two employees who witnessed the opening of the envelope document and sign the inventory.

# Provide copies of the inventory to the previous employee who used the compartment, the Supervisor of Warehouse operations, and the Trust Fund Supervisor.

No employee, other than the Controller, Trust Fund Supervisor, Supervisor of Warehouse operations, and the respective member of the Warehouse staff assigned a compartment, shall have access to the combination/key to the external door of the safe.

All safe combinations shall be changed at least once each year. Individual compartment combinations must be changed whenever there is a change in Warehouse staff occupying a Commissary position using the particular compartment. Institution security officers, or locally procured services of a security officer, may be used to obtain technical instructions for changing the combinations. A separate log for each compartment and the external door shall be kept indicating the date and reason for the change; the log shall be permanently posted on the inside of the safe's external door.

The actual setting of the new combination(s) must be personally performed by the member of the Warehouse staff assigned to the compartment. The security officer must not have knowledge of the combination or access to the key to any Trust Fund safe.

All staff must lock or turn the dial on the safe compartments/door when the safe is not in use and any time they leave the office.

7. LIABILITY FOR COINS AND STAMPS. Each member of the warehouse staff is personally liable for all coins and stamps in his/her respective compartment(s). A warehouse staff member, when so directed, shall immediately make good any shortages (see the Accounting Management Manual, and Manual of Procedures and Instructions for Cashiers). Overages shall be handled in accordance with procedures in the Accounting Management Manual for inventory overages. Under no circumstances shall Trust Fund coins or stamps be mingled with other funds/stamps. If, in extraordinary circumstances, the institution seeks formal relief of accountability for any coin shortage, the request must be, according to Federal Statutes, approved prior to processing the Report of Survey. The request and supporting documentation shall be forwarded through the Regional Comptroller to the Chief, Trust Fund Branch for processing.

8. PHYSICAL INVENTORY OF COINS AND STAMPS. A physical inventory of coins and stamps shall be reconciled to the Stock Record Cards, FPPOS and FMS systems balances at least twice each quarter; once, at the same time as the institution's quarterly unannounced cash verification and once as part of the quarterly Commissary inventory.

It is the responsibility of the inventory team to ensure the inventory amounts (counts) are physically present. Example: Each sleeve of coins should be individually counted in each box to ensure the box contains the amount of coins normally in a full box and that no empty boxes are "buried" in a stack of coin boxes.

The coins and stamps shall be counted in each drawer of each safe containing Trust Fund coins and stamps. The inventory count of coins and stamps at one safe shall be followed immediately by the inventory of any other safes which contain Commissary coins and/or stamps. The combined totals for coins and stamps shall be compared to the amounts recorded in FPPOS and FMS using Attachments A, B, C, and D. Any differences between the actual physical inventory and FPPOS and/or FMS must be fully explained.

Differences in inventory balances shall be reconciled in accordance with procedures in Chapter 4580 of this Manual and in the Property Management Manual. Any overages shall be recorded in the accounting system according to the procedure for inventory overages in the Accounting Management Manual.

Attachments A, B, C, and D shall be filed with the institution's quarterly unannounced cash verification documents or the Trust Fund inventory documents depending on the timing of the verification.

In addition to the physical count of coins and stamps, the inventory team shall confirm the presence of coin and stamp checks on hand and "in transit" and reconcile those amounts with the amounts recorded in account numbers 165.1 Stamp Checks in Transit and 166.1 Coin Checks in Transit on the 100.63 General Ledger report. The balance recorded in these accounts should equal the total amount of coin and stamp checks on hand plus the value of any checks which have been keyed into FMS but not received.

Attachment E shall be used to reconcile the Stamp and Coin Check "In Transit" accounts.